

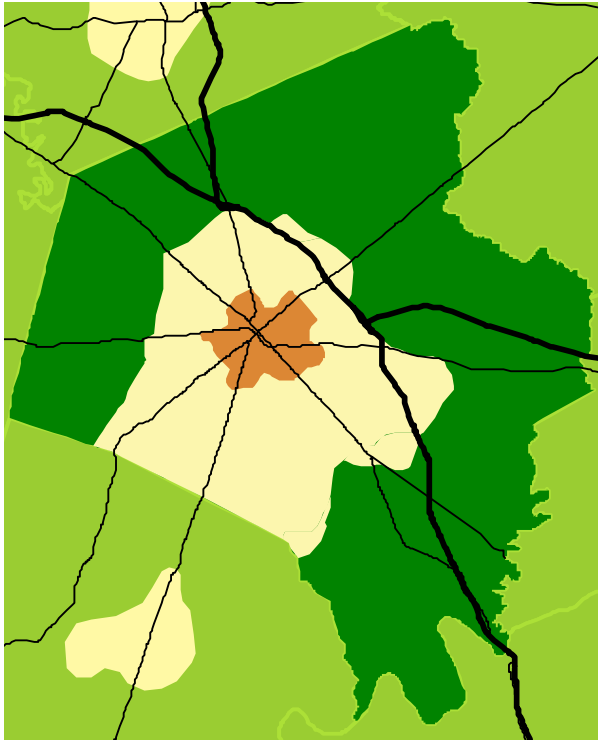
5. PLAN DEVELOPMENT

5.1 PLANNING AND URBAN DESIGN CONCEPTS

5.1.1 Current and Past Development Concepts

Lexington is now 225 years old and is built upon the foundation of the Bluegrass landscape, which has been in the making for many millennia. Lexington's community character and functionality have been built over many years of experience and cannot be divorced from the past. Such character and experience can only be summarized here, with an emphasis upon the interrelated land use and transportation concepts that should continue to direct community development over the coming decades. Variations of the concepts recommended here have been valued in Lexington for many years and continue to be valued today. They are suggested in many of the Goals and Objectives of this *Plan Update*. Some of these concepts are referred to here and elsewhere today as "Smart Growth" principles. One of the most fundamental smart growth tools, the Urban Service Area concept, was pioneered by Lexington in 1958 and remains among Lexington's strongest tools today.

Embedded throughout this *Plan Update* is the value of the rural landscape and heritage. The entire *Rural Service Area Land Management Plan* is dedicated to that purpose. What is valued should be preserved; and while growth may require urban conversion of some rural land, it should be done



very judiciously. The Land Capability Analysis gathers together information differentiating the variety of qualities and characteristics of rural lands. Any urban growth should be well planned to be a positive addition to the community. The Urban Service Area boundary criteria articulate where

urban development should occur, plus when and how the boundary may change. The *Expansion Area Master Plan* further develops these ideas and proposes the manner of development. These concepts, and particularly the Urban Service Area (growth) boundary, are staples of the smart growth movement.

From the beginning, Lexington's urban pattern has been a combination of two different street layouts. First, it was an intersection of crossroads, each extending toward the next community. This became the radial pattern of arterial roads, connecting us to the major town in each of the surrounding counties. In Lexington's center, a grid was imposed to create a regular street pattern and a framework for future subdivision and development of lands.

This older, intensely developed core has a strong fabric of historic structures in viable neighborhoods. The buildings relate directly to a street and pedestrian network with small blocks and excellent interconnectivity. Some public spaces and many public and private institutional uses give character to the core area. The residential and non-residential uses generally relate well, both functionally and aesthetically. Any future development or redevelopment in these areas should clearly be designed to be an improvement, not a detraction. The *Residential Infill and Redevelopment Policies* elaborates on these issues. In general, the *Zoning Ordinance* currently emphasizes proper development of a

predominantly suburban character. New provisions should be created to promote compatible new development in these older areas.

For many decades, downtown Lexington has served as the regional center for central Kentucky; and most recently it has evolved into a high concentration of professional and public service areas, with significant civic and cultural uses as well. The history, the variety and intensity of the uses make downtown unique, and the detailed planning and design ideas for the future are articulated elsewhere. Overall, a new plan for downtown is needed to more clearly set the direction for development over the next twenty years.

Within a few miles of downtown are additional major activity centers of education and industrial employment. These activity centers stretch from the Mercer and Georgetown Road area in the north, through downtown and the University of Kentucky, to the health care centers of St. Joseph, University of Kentucky, Samaritan and Central Baptist to the south. For a community like Lexington, this is among the most compact and intensive employment centers in the country, with approximately one-half of the jobs of the entire county located in this area. It is the best employment area for regular transit service.

The older residential areas abutting this employment area comprise the best area in central Kentucky for many people to live with a lessened dependence upon automobiles. This merits strengthening through redevelopment strategies that encourage residential patterns and densities that encourage walking and other alternative transportation modes. Plans should also emphasize adequate facilities and services, both public and private, within reasonable distances. People often point to the desirable example of a small neighborhood grocery; and, in fact, there are over a dozen small stores supplying basic grocery needs in these walkable neighborhoods in and around downtown. Particularly following up on infill and redevelopment studies (see Section 5.4), these

concepts and corresponding new projects should be encouraged in plans, ordinances and regulations. Parking, setback and other requirements designed for suburban development should be re-adapted to enhance and promote a walkable urban development pattern in these areas.

As one looks at development patterns extending out from the intense core area, the radial street pattern becomes more significant. The radial streets connecting downtown with surrounding communities are like spokes on a wheel. As with similar communities around the

country, growth gradually extends further and further out these radial streets. To function as a more complete community and a more complete transportation system, circumferential roads like New Circle Road are necessary. Like the original crossroad development of the core of Lexington, another modified grid pattern of streets may develop around major intersections. This pattern is more varied than the traditional grid pattern of cities; but it can be sensitive to the land form and still be a workable pattern, provided interconnections are made.

Development throughout the Urban Service Area should focus on a variety of types and scales of urban centers, each with an appropriate character and functional emphasis. The character, the use and the intensity of uses should be planned with the transportation system for each to function well. Previous plans have emphasized Urban Activity Centers, which were concentrations of a variety of non-residential and higher density residential uses. While not specifically emphasized by name in this plan, there should continue to be a hierarchy of functional places, and there should continue to be greater residential density developments near intense activity centers. This increases the viability of alternative transportation modes and adds a diverse interest and character to these neighborhoods.

The areas developed over the past approximately forty years are predominantly post-war suburban in nature. They are heavily auto dependent but do support some alternative transportation modes. Most land is devoted to single family residential development, heavily dependent upon and designed for automobiles. Generally popular, these patterns may continue, particularly infilling existing low-density areas, subject to further discussions below. In the past, there have been efforts to promote a diversity of residential development in most areas. Even the higher density development, which may be spotted in suburban areas, is not always located on or served by a transportation network that encourages alternative transportation modes (besides automobiles.) This encouragement of diverse housing patterns should continue, particularly utilizing the practice of allowing density averaging, whenever development occurs in the urban area. However, there should be more sensitivity in locating higher density areas in places and patterns that encourage walking, cycling and transit.

5.1.2 Neighborhoods

A city is only as healthy as its neighborhoods. It is an ongoing part of the planning process to actively assess and assist neighborhoods in order to maintain a healthy, vibrant, desirable community. Planning neighborhoods, groups of neighborhoods, and other identifiable sub-areas of a larger urban area can help identify, maintain, and enhance the features that make

neighborhoods and ultimately, the community as a whole, desirable places to live. As further noted later, many neighborhoods, existing or proposed, merit detailed small area plans to directly address the particular development issues of the specific neighborhood(s) involved. This section sets a general direction for planning neighborhoods, particularly in newly developing areas. However, the best way to settle the variety of issues involved in neighborhood planning is with public involvement, developing a small area plan.

The entire *Comprehensive Plan Update* considers a myriad of physical, social and economic factors, yet ultimately envisions a future based upon people living in neighborhoods. It is the comprehensive plan, which attempts to set the framework for physical development, making a variety of neighborhoods where people of different backgrounds and different ideas live together. As a whole, the comprehensive plan must help people live together and function harmoniously in the future. Planning literature over the years has suggested that neighborhoods should be designed at 3,000-5,000 persons. Lexington neighborhood associations tend to average less than 1,000 persons each, and elementary school attendance areas average approximately 8,000 each. While agreement on specific standards becomes difficult, the physical design of neighborhoods is a primary product of this plan and should be looked at carefully on a case-by-case basis. Decisions made at the comprehensive plan, the neighborhood plan and the development plan levels may greatly influence the future vitality of the community and harmony of the people.

Throughout the country, neighborhoods are the best building block for cities. Every effort should be made to build neighborhoods, not isolated streets and subdivisions. Even in suburban-style neighborhoods, cul-de-sacs should be infrequent, and interconnectivity should exist throughout the urban area. While every area may not have small "blocks" like downtown, all areas should have walkable blocks. One should be able to go out and walk around the block, without having to go an extra mile because of cul-de-sacs or other street patterns that do not interconnect.

Whenever feasible, in new and developing neighborhoods, new neighborhood centers should be created. Particularly in the Expansion Area, community centers as envisioned in the *Plan* should be encouraged. In this update process, a neighborhood center is planned for the vicinity of Greendale Road and Citation Boulevard. It is recommended to be a mixed-use center with limited retail located near, but not bordering, a major arterial. The center must include such items as vehicular, pedestrian and bicycle friendly facilities; interconnected streets; human scale architecture and design; a vertical and horizontal mixture of retail, office and residential uses; buildings aligned with the street; parking in the rear; community focus or common areas; and adequate sites nearby for public or semi-public community amenities. The retail establishments are limited to those with a neighborhood focus and character, providing opportunities for employment and essential services closer to residents, including, but not limited to, corner groceries; dry cleaners; delicatessens; and barbershops. The creation of neighborhood retail centers or other neighborhood focal points is another fundamental smart growth proposal that should be a goal of every new neighborhood development in Lexington. However, this should not become an avenue to simply add more commercial use in places that are not indicated on the land use plan and/or may negatively impact existing commercial and/or residential areas. The purpose of these centers is to assist in the creation of a sense of community and to add to the safety and quality of life of the residents in these areas.

Every neighborhood should also have diversity of dwelling types and uses. While not every home will be within walking distance of a shopping area or a library, every neighborhood should include something non-residential, such as a school, a park, a church or a shopping area within walking distance.

Finally, Lexington builders and developers should consider additional smart growth design practices that emphasize good architectural design features that will enhance neighborhoods. These include porches and front entry areas, with good relationships to a sidewalk or other pedestrian way,

and also include locating or designing garages to be unobtrusive. Rather than setting buildings back some significant distance from the street, they often emphasize a “build to” requirement so there is a continuous building façade or frontage along the street. Such features should be encouraged in design and in ordinances. In combination, these features of good street and block layouts, good building design, and diversity of housing and non-residential facilities will promote lasting neighborhoods of character, each with a sense of place.

5.1.3 Communities and Facilities

One of the relatively subtle ways to improve upon the current auto dependent suburban development pattern is to emphasize the development of five to seven communities within the Lexington urban area. Each community would have a diverse range of housing and population, perhaps totaling 35,000 to 60,000 people. Each area should have a well located and complete complement of public facilities and private services, responsive to the characteristics of the particular area. This would minimize unnecessary cross-town travel and would increase the development of a social fabric and personal interconnectivity, often missing in modern suburban development.

The public sector can and should locate and design community facilities to serve the developing communities in a more cohesive fashion. Use of the common facilities can build community spirit. Each community area should have a major public school, major park, library and community center. It should also have appropriate shopping and employment. The goal should be to create and promote gathering places for people who live within a geographic area to interact with neighbors and develop relationships. While still auto oriented, a proper complement of facilities can also minimize travel miles and somewhat encourage pedestrian and alternative modes of transportation.

An example begins to illustrate the concept more fully. In the Tates Creek area, so named here for the high school, there is a geographic area that people immediately think of. There is one high school, attended by most high school age students. There



there is a community with enough total population (over 50,000) to support a wide range of convenient services.

While there are important ways that Lexington is, and should remain, one unified community, smaller communities within the larger Lexington community should also be recognized and reinforced, generally according to the example suggested above. One major way to reinforce this is through the construction of new

is one large park (Veterans Park at Hickman Creek) where most of the teenagers and families involved in baseball and other sports gather during the spring and summer. The community is proud of the recently constructed library, where people see familiar faces and may share a cup of coffee, as well as finding a book or special music recording. Although it is crowded, almost everyone in the area shops at the grocery store at the corner of Man o' War Boulevard and Tates Creek Road, in the center of this area. People also appreciate the variety of other retail stores and restaurants located near this store. And the people that share this experience are varied in many socioeconomic ways (age, income, race, and employment status). They also live in a wide variety of housing types and drive a variety of cars. There is not a single place in this entire area where a few people can walk to everything, but there are many places where people can walk or bicycle to one or two important locations and drive a car or take a school bus to the rest. All are within just a few miles. The *Greenway Master Plan* may result in new opportunities for non-vehicular connectivity within the area. Parts of the area, particularly in the middle, are sufficiently concentrated to merit bus service to downtown and the University. It is not as compact as older, traditional neighborhoods; but

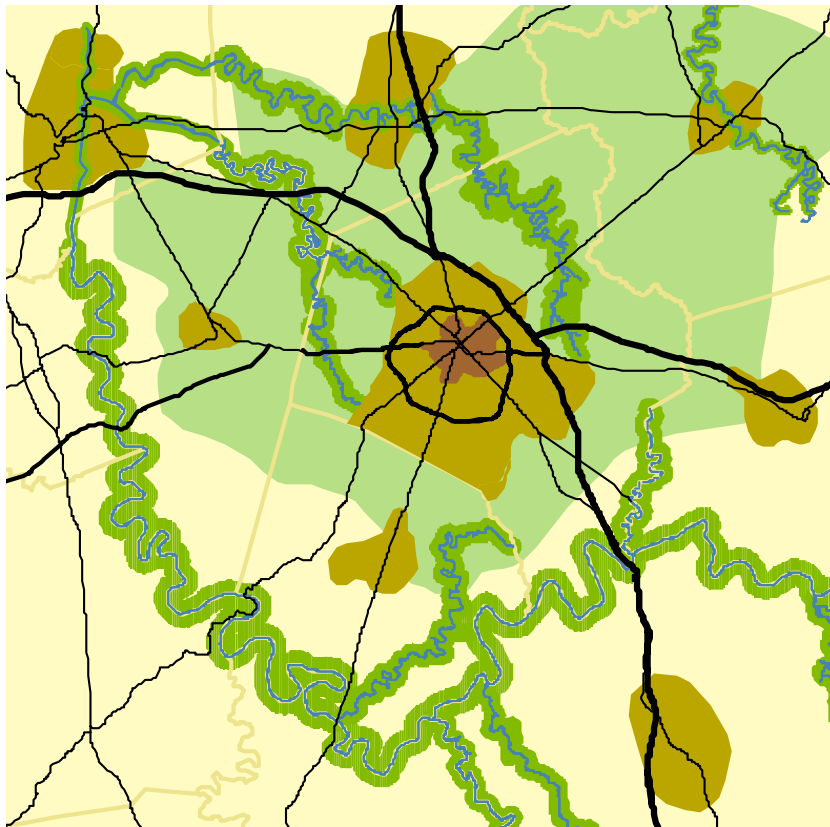
community facilities or improving existing ones. The new Cardinal Run Park should serve and help unify the Dunbar/Beaumont/Cardinal Valley area. The new middle school out the Richmond Road corridor should reduce bus travel times and build community in the area. A good ball field complex would also help reinforce social interaction patterns in the Richmond Road corridor. A major renovation or reconstruction project to make Bryan Station High School a premier facility will enhance the image of the entire north side of Lexington. A new community park and library would some day unite neighborhoods along the developing Winchester Road corridor. New community centers, each with a gymnasium and a variety of public meeting rooms, should be located and developed to support each of these community areas. As much as possible, greenways and trails should interconnect the neighborhoods, the parks, the schools and all significant facilities in each community with the rest of Lexington and the region. Some projects, like a pedestrian bridge over New Circle Road at Georgian Way, would be particularly helpful in uniting neighborhoods separated by a major road and facilitating walking and cycling to major facilities like Beaumont Middle School and Beaumont YMCA.

5.1.4 Regional Concepts

As noted in the Goals and Objectives of this *Plan Update*, “Lexington, as a compact urban center, is surrounded by one of the world’s most beautiful rural landscapes and is rimmed by relatively compact smaller communities, each with its own distinctive character.” The Bluegrass Region has often been compared to the 100-year-old “garden city” approach to planning. Particularly with recent regional planning efforts of Bluegrass Tomorrow, many in and around Lexington recognize that Lexington’s relationship to the other towns in this region is fundamental to the region’s character and quality of life. A preferred regional vision of discreet rural communities with greenspace/open space between them is being promoted by many local and

As each community is part of the Bluegrass Region, each community’s development impacts the other communities, and should be done concurrently. For example, Lexington’s attitudes promoting regional development help promote the region for the benefit of all the surrounding counties, not just Lexington and Fayette County. Lexington-Fayette County’s growth boundary decisions are thought to influence growth pressures in surrounding communities, generally absorbing growth within Lexington’s urban growth boundary or encouraging it to occur in other counties. Most of the counties surrounding Fayette County have found this approach valuable and have adopted similar boundaries as growth management tools for their urban growth pressures as well. Locally adopted rural preservation strategies can

also influence development within a county’s rural areas, as well as in neighboring counties. Counties throughout the region have been carefully examining their rural policies since Fayette County adopted its 40-acre minimum in the Rural Service Area. Growth near the edge of Fayette County can influence the adjoining county, and actions on the edge of other counties can influence Fayette. Even attitudes and actions toward inner city infill and redevelopment in Lexington can affect the surrounding counties. Although no freeway goes from downtown Lexington to other counties to encourage commuting as seen in large cities, interstate highways do interconnect some of the region’s largest employers with residents of other counties. The trend of



regional planning efforts. Public and private groups are working cooperatively to preserve rural scenic road corridors and to work toward an interactive regional planning effort. To assure the continuation of the region’s character and quality of life, efforts must be continued to work with the surrounding communities for good planning and development for the entire region.

intensive employment development along the interstate has become stronger in this region, and this plan continues to emphasize that.

Financial costs and benefits of different types of growth are additional complex issues and are important at the regional level. In this seven-county central Kentucky area, some counties have a diverse employment base and land use development

pattern; others rely upon one or two major employers, while others are characterized primarily by urban and rural residential development and/or extensive agriculture. The different development patterns influence the financial strengths and weaknesses of each community. As people are recognizing the overall benefits of regional vision and working together, the fiscal impacts of the region's development patterns should be addressed as well.

These interrelationships show the need for continued dialogue and consideration within each community's planning decisions. The model is of a physical design of separate communities working together. This helps each other's independence. However, the interdependence must not be ignored. The Regional Planning Council exists and is coordinated by the Bluegrass Area Development District to address some of these concerns. New statewide "Smart Growth" legislative efforts may strengthen the role this group can play in promoting and requiring cooperative, multi-county planning thought processes and efforts. As further noted in the implementation chapter, there is an existing 17-county regional plan that needs to be updated. Local, as well as regional, planning processes must encourage and consider input among decision makers in every county of the region.

5.2 URBAN SERVICE AREA BOUNDARY (ADOPTED 4/30/01)

The Urban Service Area (USA) boundary (Map 5.1) was created in 1958 to separate urban intensity uses from horse farms and other rural activities,

reduce sprawl development along major roadways, provide for better cost control of government infrastructure and services, reduce impacts on fragile environments, and maintain the central focus of the downtown. All of these goals have been achieved to some degree, and most people agree that this concept is successful and worthy of continuation. However, the true test of any system comes when it is placed under pressure; and as the vacant land supply within the USA diminishes, the pressure for expansion and for readily available land for development increases.

The USA boundary concept has served this region well. Lexington, the largest city within the Bluegrass area, remains compact and has not encroached on surrounding smaller towns, which has enabled them to maintain their identity. The most important economic feature of the area, the equine industry, has not been driven away by residential expansion. Also, sensitive environments are still available for native wildlife and enjoyment by residents and tourists. The government has maintained a sound and well-funded system, which provides services at a cost effective and reasonable level.

Maintenance of the Rural Service Area beyond the USA boundary remains a continuing goal of the Urban County. To this end, new methods of preserving environmentally sensitive and horse farm land, while using less sensitive land for development, should be formulated. The land capability analysis technique has the potential for more exact land use and preservation planning for land in the Rural Service Area. This and related new tools may be used, in combination with the USA concept, to achieve both growth and preservation goals.

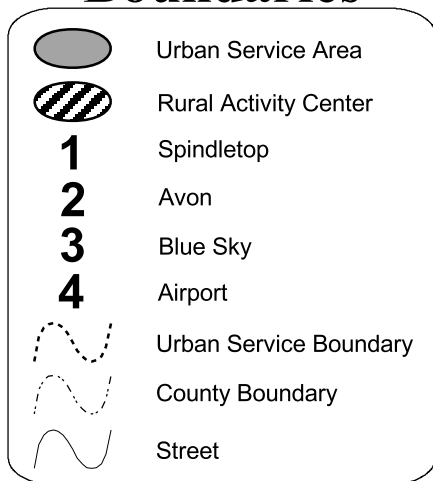


The Urban Service Area boundary criteria were created to assure efficiency, effectiveness and fairness in determining the boundary. The seven criteria used in the *1988 Comprehensive Plan* were expanded to 13 in the *1996 Comprehensive Plan* and include property lines, public facilities, efficient development, scenic landscapes, contiguous development on the edge of the boundary, and economic suitability for development. These criteria, as developed by the USA Boundary Subcommittee of the 1996 Comprehensive Plan Update Committee, were adopted by both the Update Committee and the Planning Commission and were used to identify the urban expansion areas. These criteria have value both as a group and as individual points to assist the Planning Commission in making specific judgments, but they are most effective when the criteria are considered as a whole when making boundary decisions.

Urban Service Area Boundary Criteria

1. The USA Boundary should be located so as to achieve or enhance major plan themes and goals.
2. The USA Boundary should be located to encourage cost effective and efficient use of public facilities.
3. The land within the USA Boundary should be sufficient in quantity to accommodate 20 years of projected population growth and economic development.
4. Land to be brought within the USA Boundary should be economically suitable for development.
5. The USA Boundary should be located to direct development away from significant or scenic landscapes, as defined in the Greenspace Plan and the Rural Land Management Plan.
6. The USA Boundary should be located to direct development away from prime agricultural land and horse farms.
7. The USA Boundary should be located to direct development away from major environmentally sensitive and geologic hazard areas.
8. The USA Boundary should be located so as to exclude public facilities that conflict with or inhibit urban development.
9. The USA Boundary should follow significant natural or man-made features, such as large lakes; minor and major drainage boundaries; parks; railroads and principal arterials or freeways, wherever appropriate.
10. Urban development should be compact and must be contiguous.
11. The USA Boundary line should be located along the tops of ridgelines within drainage basins to allow sewerage of the USA in an efficient and economical way, while not putting development pressure on land outside the USA.
12. The USA Boundary should include existing development that is contiguous to the existing or planned urban areas.
13. The USA Boundary may, but does not have to, follow property lines.

Map 5.1 USA & RSA Boundaries



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Lexington-Fayette County, Kentucky



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5.3 HISTORIC PRESERVATION

5.3.1 Background

Lexington-Fayette County has a rich and diverse cultural heritage, which is reflected in its historic structures and buildings, as well as its historic sites; significant landscape features; older neighborhoods; rural settlements and individual farms. The importance of protecting these resources as a means of retaining Fayette County's unique character can be seen in both the rural and urban areas of the County.

One example of this unique rural character can be seen in the dry stack stone fences, found mainly along rural roads in Central Kentucky. Many of these walls were built in the 1800s and, although some have deteriorated over the years, many are still standing and are in good condition. Lexington-Fayette County has an ordinance, adopted by the Urban County Council in the mid-1990s, which is designed to ensure that all stone fences in the public right-of-way are protected. The Division of Historic Preservation enforces this ordinance and reviews all plans for proposed work or changes to these walls, whether it is for new development, road realignment, or simply repairs to existing walls.

Historic and architecturally significant buildings in the rural areas are also a part of Lexington's unique character, as are the small rural settlements. Historic houses, barns, outbuildings, fences and landscape features are all part of Fayette County's rural setting. The newly implemented Purchase of Development Rights (PDR) program is an important tool in working to ensure the preservation of rural land and its role in maintaining Fayette County's identity as the heart of the Bluegrass. The Division of Historic Preservation works with the PDR program, helping to identify significant historic and character features that are within the rural areas and that may be considered for participation in the program. Rural preservation has traditionally been a strong element of Fayette County and a part of its identity. Preservation of rural areas, whether they are large farms or small rural settlements, is a means to preserve and maintain this identity.

Historic and architecturally significant buildings are also an important part of urban Fayette County's character, as well as its physical form, because they create a unique place to live and work. A community that has been well planned incorporates both the new and the old, which generally attracts businesses, residents, and tourists seeking a unique physical and cultural environment. Although Lexington has preserved some older structures in predominantly residential neighborhoods by creating fourteen (14) local historic districts (Map 5.2), further action is needed to protect other architecturally or historically significant urban neighborhoods. However, historic designation should not be limited to residential neighborhoods. Elements such as architecturally significant structures and archaeological, cultural or physical sites are eligible to be designated under the criteria described in Article 13 of the *Zoning Ordinance*. Other areas, some of which may have been surveyed by the Division of Historic Preservation, may also be eligible for historic designation. The most recently created local historic district, Cadentown, was designated not for its significant architecture, but for its historic cultural significance as a rural settlement that dates from just after the Civil War.

5.3.2 Local Historic Preservation Efforts

Division of Historic Preservation

The Division of Historic Preservation was created in 1987 to bring a stronger local commitment to preservation of significant commercial and residential structures and historically significant areas in Lexington-Fayette County. The purposes of creating this Division of the Urban County Government (LFUCG) were to summon support for renovation and adaptive rehabilitation of older commercial buildings, to aid in the protection of unique geological and archeological sites, and to ensure the visual and aesthetic character of historic residential neighborhoods and significant rural resources. The Division of Historic Preservation oversees a variety of issues, working closely with several other LFUCG Divisions, such as the Division of Planning; the Division of Building Inspection; the Division of Code Enforcement and the Department of Law. The purpose of this interaction is to facilitate

knowledge of preservation issues in the day-to-day functions of planning and zoning, as well as the enforcement of Fayette County's *Zoning Ordinance* and its *Code of Ordinances*. This is particularly important with regard to land use planning and the development process. Historic resources are often found in areas being considered for substantive new development, and just as frequently are an issue in demolition and reconstruction/redevelopment within existing neighborhoods or commercial areas. The Division of Historic Preservation makes information on these resources and their significance available to the staff, as well as Lexington-Fayette County's decision-making bodies (i.e., the Planning Commission, the Board of Adjustment, the Board of Architectural Review and the Urban County Council) to facilitate additional knowledge of the issues.

The Division of Historic Preservation is also responsible for providing information to property owners, citizens at large, contractors, developers and others. This general education and technical assistance role is an important part of the local planning process. Property owners and other interested parties can obtain information about the architecture and history of properties throughout Lexington-Fayette County from the Division of Historic Preservation as part of the architectural survey process. In addition, technical assistance is provided by the Division in order to ensure appropriate renovation of significant resources. Education programs and tours are also offered that highlight Fayette County's rich history and architectural/cultural evolution.

As part of this overall process, the LFUCG has established a program by ordinance whereby every request for a demolition permit in Fayette County, regardless of its location, is to be reviewed by the Division of Historic Preservation prior to issuance of the permit. If it is determined that the property is over fifty years old and has architectural and/or historical significance, a 30-day delay is put on the issuance of the permit, and the property is documented by the Division of Historic Preservation. Once the documentation period expires, the Division of Building Inspection is then able to issue a demolition permit. In designated Local Historic

Districts or with Local Historic Landmarks, a Certificate of Appropriateness from the Division of Historic Preservation is required in order for the demolition permit to be issued.

Board of Architectural Review

Article 13 of the *Zoning Ordinance* provides an overview of the purpose and zoning related duties of the Division of Historic Preservation and the Board of Architectural Review (BOAR). This chapter of the *Ordinance* is administered and enforced by the Division of Historic Preservation and includes the H-1 Local Historic District designation and design review process (see below). The BOAR, a 5-member board, is the review body for requests for Certificates of Appropriateness (i.e., permits), which must be obtained prior to any exterior changes to properties within the locally designated historic districts. The *Ordinance* has given the Historic Preservation staff authority to handle a number of permit requests as staff items. Other requests require review by the Board at a full public hearing. Minor exterior changes to a property, such as replacement of existing features with something similar, are often handled by the Historic Preservation staff. Substantial changes, on the other hand, such as new openings (i.e., doorways/windows) or replacement of existing features with something different, require consideration by the Board.

Local Historic Overlay Zoning

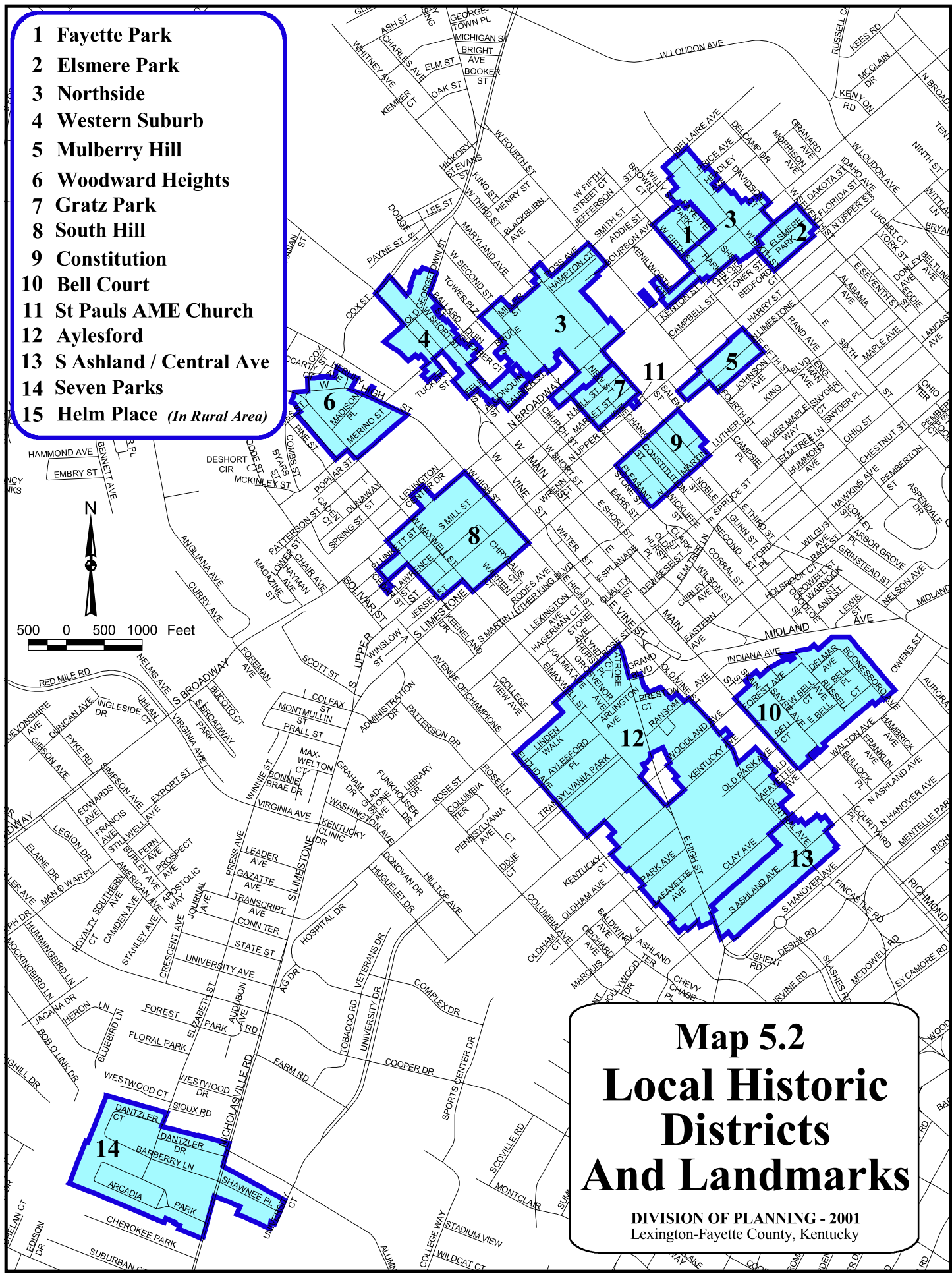
Historic zoning began in Lexington in 1958 with the "Old and Historic Lexington" zone for the Gratz Park area. The following year, the *Zoning Ordinance* was revised to permit the application of an historic district overlay to land in any zoning category, provided it met certain (specified) criteria. As shown on Map 5.2, there are fourteen (14) local Historic Districts, containing more than 200 acres and 2,500 properties in Fayette County. These districts consist largely of older residential areas. Additionally, there are two (2) individual properties that are locally designated Historic Landmarks.

Local Historic District or Local Landmark (H-1 Overlay) is a designation that carries with it a design review process that is based on specific design guidelines for exterior work and changes. These

- 1 Fayette Park
- 2 Elsmere Park
- 3 Northside
- 4 Western Suburb
- 5 Mulberry Hill
- 6 Woodward Heights
- 7 Gratz Park
- 8 South Hill
- 9 Constitution
- 10 Bell Court
- 11 St Pauls AME Church
- 12 Aylesford
- 13 S Ashland / Central Ave
- 14 Seven Parks
- 15 Helm Place (In Rural Area)



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Map 5.2
Local Historic
Districts
And Landmarks
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districts have been recognized in the zoning process and are protected by the provisions of the H-1 zoning designation. The H-1 designation, although an overlay, requires a zoning map amendment in compliance with all state and local regulations related to this.

Efforts should be directed not only toward granting local designation of historic districts, both commercial and residential; but should also be directed toward granting landmark status to appropriate individual sites that are worthy of such designation, particularly for those on the National Register. The Division of Historic Preservation should be the driving force in this effort by providing updated inventories of these buildings, sites, and/or districts, as well as providing education on methods and the advantages of renovation. An accurate inventory is important and should include building age, as well as architectural style and significance.

Other Local Historic Preservation Related Efforts

Lexington-Fayette County, in addition to local overlay zoning and the national programs discussed later (Section 5.3.3), is working with additional mechanisms to help steer change in the community relative to historic structures, neighborhoods and sites. These include:

Infill and Redevelopment

In 2001, LFUCG undertook a study to develop a process to address infill and redevelopment in existing neighborhoods in the oldest parts of the city's core, an approximate 10 square-mile area around downtown (see Section 5.4 for more details). The *Residential Infill and Redevelopment Policies* outlines proposed amendments to selected zones in the locally adopted *Zoning Ordinance*. In addition, some new standards that address the mass and scale of structures, as well as parking, screening and other issues, are proposed to ensure compatibility of new development in these areas. These efforts are meant as a complement to, and apply more broadly than, historic overlay zones. They are not substitutes for the provisions of the H-1 zone.

Downtown Commercial Area and the New Courthouses

Although residential neighborhoods are typically the focus of H-1 (Historic District Overlay) zoning, attention should also be given to historic commercial areas, particularly in the downtown area. The expansion of the courthouse was anticipated and discussed in the *1996 Comprehensive Plan*, as was the general promotion of historic preservation in and around downtown as a whole. The courthouse complex is currently under construction, and the Courthouse Area Design Overlay zone has been created by a text amendment to Lexington's *Zoning Ordinance*. Its intent is to encourage growth and redevelopment in the downtown area, which has experienced a declining population, both residentially and commercially. The Downtown Commercial National Register Historic District was the basis for the area proposed for the overlay zone, and the properties within this area contain buildings from different periods and of varying architectural



design. Implementation of the overlay zone will ensure compatibility of basic design with regard to building height, setback, and building materials, etc., whether restoring, renovating or rehabilitating old, historic structures or constructing new structures as infill projects in the area around the new courthouse complex. A major effort for preservation should focus on all of the older commercial buildings in and around downtown. However, any redevelopment occurring as part of the Design Overlay zone, whether it be preservation and renovation of older buildings or construction of new buildings, should have as its intent to increase downtown activity; encourage pedestrian movement; and promote tourism, as well as to serve downtown residential areas.

Architecturally significant buildings in and around the downtown are becoming more valuable because many have disappeared over the years as a result of redevelopment. When historic commercial buildings are cleaned, restored and/or renovated, they become valuable locations for new retail and office uses that cannot afford the higher rents of shopping centers, new buildings or expensive reconstruction. There are still many older buildings that can be preserved as an extension of the central city redevelopment, which will be based, in large part, on the new courthouse complex and the Courthouse Area Design Overlay zone.

LFUCG Owned Historic Properties

The LFUCG is in the process of implementing a special type of designation for all historic properties owned by the Urban County Government. The result will be that the historic properties, sites, parks, monuments, etc., will be subject to a design review process similar to that required of properties in the H-1 (Local Historic District Overlay) zones. To date, when substantive work has been done on these historic properties/elements, the scope of work has been reviewed by the Historic Preservation staff.

The Urban County Government owns thirty historic properties, many of which are in or around downtown Lexington. Two of these properties are in the rural area, and the remainder are within the boundary provided by New Circle Road. The majority of these properties contain historic buildings, some of which are still actively used. Appendix 4 lists and describes some of the significant historic properties owned by the Urban County Government.

Historic Preservation Commission

The Historic Preservation Commission, which consists of fifteen (15) members, is the advisory body to the Division of Historic Preservation and the Board of Architectural Review. Included among its responsibilities is the review of all nominations of properties to the National Register of Historic Places, promoting preservation issues of importance in Lexington-Fayette County, promoting local historic districts and landmarks, and working with preservation issues throughout the community as

they evolve. The Commission also helps in the coordination of educational events that have to do with historic preservation, specifically, the celebration of Historic Preservation Week, held in May of each year.

Private/Public Partnership in Preservation Efforts

LFUCG should educate business owners, property owners, and neighborhood groups about the benefits and costs of renovating historic structures and should encourage them to do so. The Urban County Government can also promote renovation by improving streets, sidewalks, signs and other public facilities, which may serve as an incentive to owners of individual properties to renovate their buildings as part of the overall program.

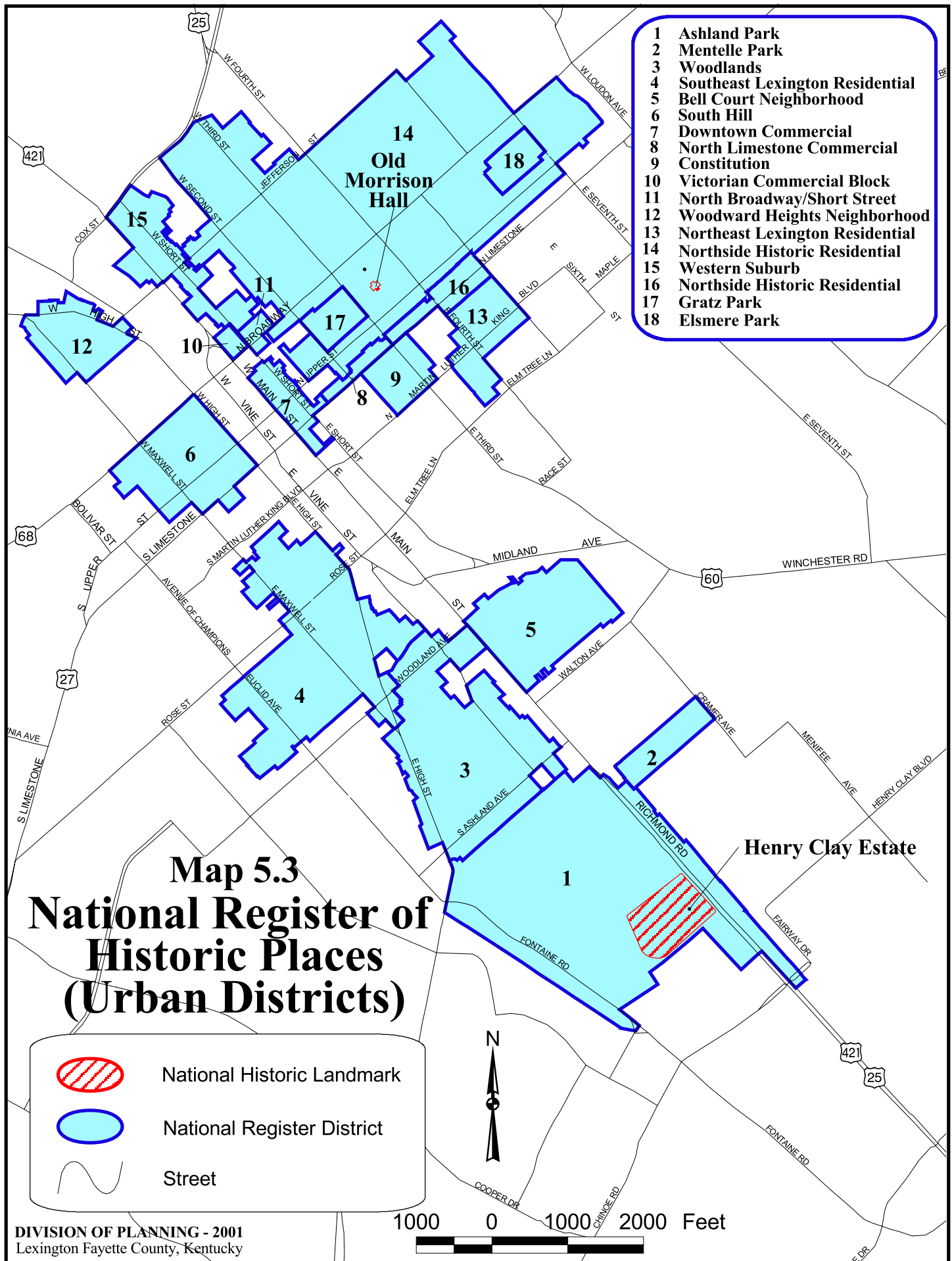
Fiscal incentives are needed, such as low interest loans, grant programs, and/or revolving funds that would allow acquisition of a property and/or assistance with renovation. Additionally, public acquisition of property and/or imposition of deed restrictions prior to redevelopment and/or resale of the property should be considered. General design assistance should also be provided to help property owners with conceptual plans and to encourage use of appropriate programs. Such a comprehensive approach could generate new interest in older neighborhoods and commercial areas, while encouraging revitalization of historic structures.

5.3.3 State and Federal Historic Preservation Programs

A number of different state and federal historic preservation programs also exist with differing requirements and implications for local land use planning. These designations and a description of them are as follows:

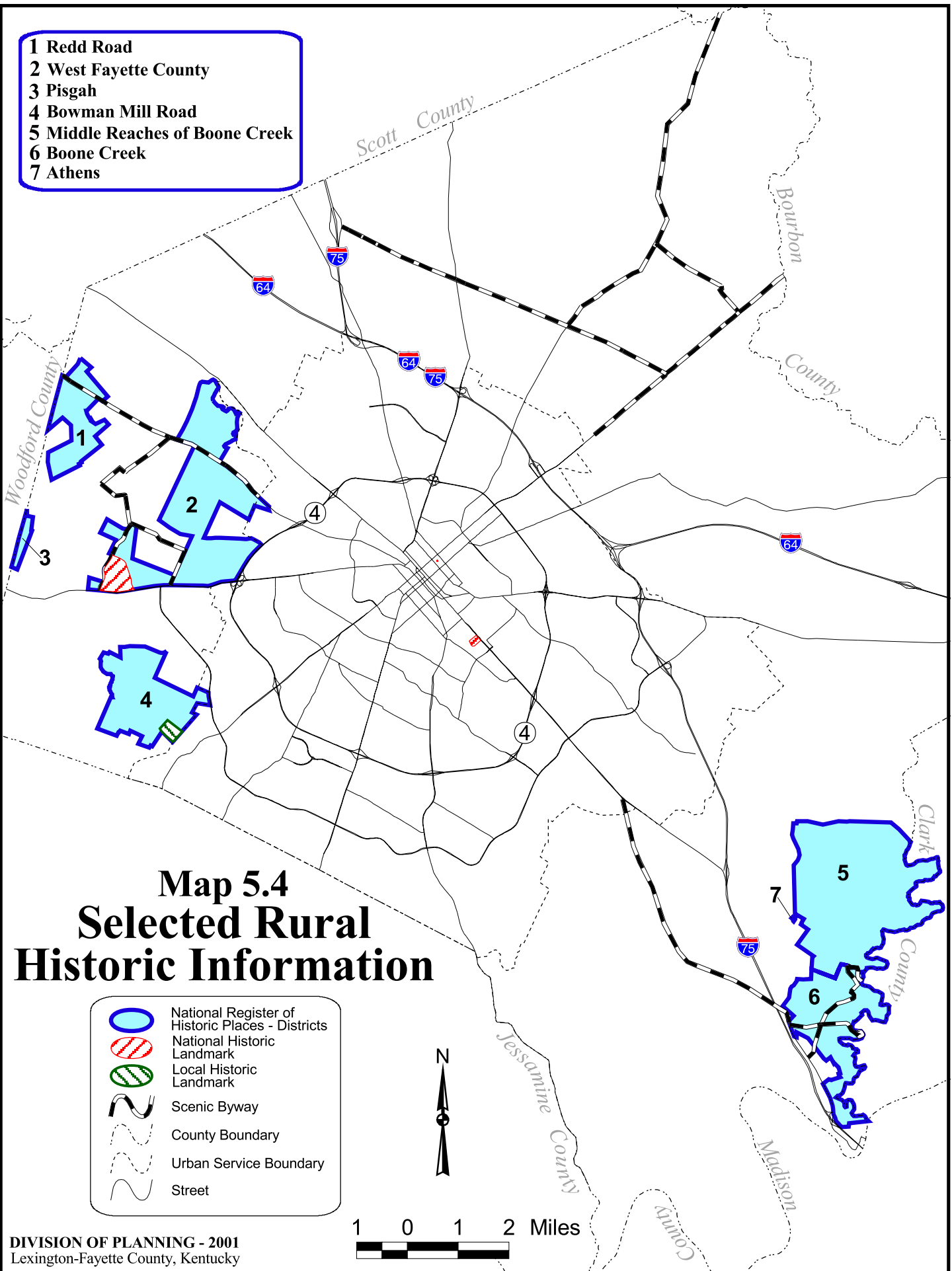
National Register of Historic Places

The National Register of Historic Places is a federal designation awarded by the Department of the Interior. The Federal Government's official list includes historic buildings, structures and sites, as well as objects and districts worthy of preservation, and provides recognition of a property's archaeological, architectural or historical significance. National Register listing also identifies




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- 1 Redd Road
- 2 West Fayette County
- 3 Pisgah
- 4 Bowman Mill Road
- 5 Middle Reaches of Boone Creek
- 6 Boone Creek
- 7 Athens



Map 5.4
Selected Rural
Historic Information

-  National Register of Historic Places - Districts
-  National Historic Landmark
-  Local Historic Landmark
-  Scenic Byway
-  County Boundary
-  Urban Service Boundary
-  Street

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properties for a wide range of planning purposes, and in doing so ensures that these properties will be taken into account in the planning of federally funded or licensed projects. Listing of properties in the Register is done primarily on a multiple property or district basis, although many individual properties have been nominated and listed in the past, and some continue to be listed as such today. Nomination procedures reflecting substantial criteria are reviewed at local, state and federal levels.

On a local level in Fayette County, the 15-member Historic Preservation Commission is responsible for the review of all nominations of properties to the National Register of Historic Places. As of August, 2001, there are twenty-six National Register Districts in Lexington-Fayette County: 7 rural and 19 urban (see Maps 5.3 and 5.4). Additionally, there are fifty-four individual properties on the National Register of Historic Places in or around downtown Lexington. Most of the historic properties are within the downtown area; however, individual historic properties extend as far north as Fifth Street, as far south as the University of Kentucky campus, and as far east as Sycamore Road, off of Richmond Road. Many of these properties have museum status, while others are still actively used for various purposes. In the rural area of the County, there are thirty-eight additional individual properties designated on the National Register of Historic Places. Fayette County also has twenty-six multiple property listings of historic sites, which are grouped either by ownership (e.g., the Shelby Family Houses) or by theme (e.g., the Civil War monuments). The Division of Historic Preservation reviews all projects in Fayette County in which any federal funds are being utilized on properties either already listed in or eligible for listing in the National Register of Historic Places.

National Historic Landmark

National Historic Landmark is a federal designation awarded by Congress and is the highest level of designation. Lexington-Fayette County has three National Historic Landmarks: Ashland (the Henry Clay Estate); Keeneland Racetrack; and Old Morrison Hall, which is part of Transylvania University.

Scenic Byways Designation

Scenic Byways Designation has two levels of designation: state and federal. Both include an intensive review of specific criteria and must reflect a high level of integrity in order to qualify for this designation. No byways in Kentucky have been granted All-American Road or National Scenic Byway status. Currently, the state of Kentucky contains twenty-three designated Scenic Byways, eight of which are either totally within or travel through Fayette County. There are more than thirty miles of roadway that are designated as Scenic Byways in Fayette County.

Federal Transportation Enhancement Program

In the 1990s, two federal programs for transportation planning and improvements provided funding for transportation enhancement projects directly and/or indirectly related to transportation.



The Intermodal Surface Transportation Efficiency Act (ISTEA) and the Transportation Equity Act for the 21st Century (TEA-21) deserve recognition in this section of the *2001 Plan Update* for features that significantly aid historic preservation efforts. The Paris Pike improvements underway have been influenced by this recent change in road planning philosophy at both the federal and state level. Other projects in Lexington have also benefited.

Archaeological Sites

There are currently six designated archaeological sites in Fayette County, all of which are within the northern half of the county, containing more than thirty-five acres in total.

5.4 RESIDENTIAL INFILL AND REDEVELOPMENT

In 2000 and 2001 the Urban County Government (UCG) undertook a study of residential infill and redevelopment within the older neighborhoods of the urban area in order to improve the quality of construction in these areas. The project reflects many of the goals of the *2001 Comprehensive Plan Update*, including supporting a “compact” urban center, livable neighborhoods, and viable neighborhood commercial centers. The project focused upon older areas of Lexington as shown on Map 5.5.

The project recommends ways to foster high quality compatible infill that enhances the livability and value of those areas. The project promotes efficient land use and implements regional growth policies that encourage development to focus on the core of Lexington rather than spreading to outlying areas. The project recognizes that development impacts in established neighborhoods must be carefully considered where proposed. The *Residential Infill and Redevelopment Policies* document was adopted by the Planning Commission on November 15, 2001 as an element of the *2001 Comprehensive Plan Update*.

The study was initiated as a result of community residents expressing concern about inappropriate infill in several areas and the lack of infill in others. This concern related to the unique characteristics that distinguish individual neighborhoods. Other considerations include protection of the value of individual properties, preserving the character of the community at large, while providing for appropriate densities and affordable housing. This section summarizes some of the key features of the study.

Quality redevelopment at appropriate densities makes the delivery of services more efficient, such as:

- Bus systems have more riders
- Neighborhood services have more customers
- Reduced vehicle trips and lengths because of closer population to the downtown
- Reduced infrastructure costs serve a greater numbers of residents
- Improved safety due to greater presence and numbers of residents
- Reinvestment encourages others to invest in maintaining their properties
- The systematic mix of housing types can address a wider market including affordable housing.

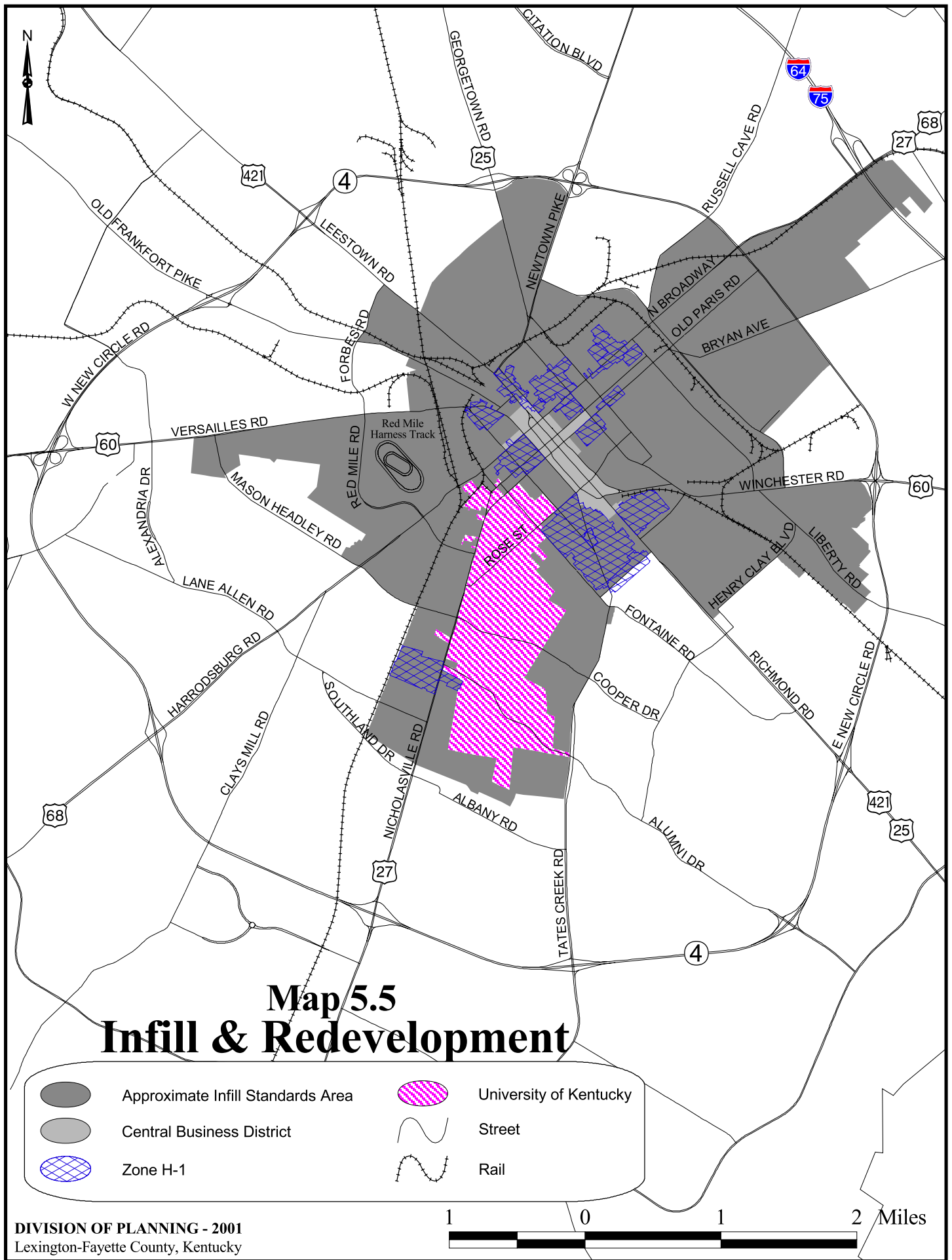
The plan recommends seven main categories of infill and redevelopment tools and concepts that comprise the overall residential infill and redevelopment strategy for the study area (Sections 5.4.1 through 5.4.7).

5.4.1 New Standards in the Regulations

The key source of redevelopment regulations in the UCG is the *Zoning Ordinance*. It controls building density, heights, uses, setbacks, etc. The *Residential Infill and Redevelopment Policies* proposes adjustment of selected standards in selected zones. In addition, some new standards that address the mass and scale of structures and parking and their screening are proposed. Finally, there are formatting recommendations that make it easier to use and interpret the regulations. The proposed ordinance changes are intended to be as user friendly as possible and are meant to work with the current zoning district designations, applying to the oldest part of the urban area only. The study recommends application of the standards to the oldest parts of the core city, an approximate 10 square-mile area around downtown (Map 5.5), but the exact application will be refined when the ordinance changes are drafted and finalized.

5.4.2 Neighborhood Character Overlay Districts

Some neighborhoods have specific compatibility issues that cannot be addressed in the regulatory changes proposed above. Many of these neighborhoods could be eligible for designation as historic districts under H-1 zoning, which should be the principal means of protecting architecturally and historically significant areas.



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In other parts of the urban area, there are distinctive neighborhoods where H-1 zoning is not appropriate because they are ineligible and/or do not contain the necessary historic conditions required in an H-1 zone. In these situations, a new special neighborhood design overlay district should be created, in which more context-specific design guidelines can be applied.

Existing or eligible H-1 zoning districts are not recommended to be candidates for these overlay designations. Specific review criteria and procedures should be established in determining the eligibility of any overlay district. The Board of Architectural Review and/or the Historic Preservation Commission are recommended as key group(s) in determining which areas in the urban area are eligible for overlay designations. Such districts are intended to support, not replace, H-1 districts.

5.4.3 Zoning Map Changes

Some properties in the urban area may require changes in the underlying use or permitted densities. These changes should be considered where the traditional development patterns are at substantially lower intensity than the current zoning category would permit and/or where proposed development impacts under the current zoning could not be sufficiently mitigated. These areas should be carefully identified and studied for possible “right-zoning” to

be initiated by the Planning Commission or the Urban County Council.

5.4.4 Redevelopment Incentives

Programs used to encourage appropriate redevelopment may include financial incentives (such as fee waivers) or administrative incentives (e.g., expedited review for quality redevelopment) and/or regulatory incentives (i.e., flexibility in requirements where reasonable to do so). In some cases, incentives should be offered to encourage compatible infill in the categories targeted as priorities for the community. An example of this would be affordable housing. In other cases, the government can be most effective by facilitating or helping developers through the process. The extent of government aid will always be limited but can have an impact if strategically targeted. The most important aspect of development incentives is the careful determination of what the UCG’s priorities are and that the development be the highest quality possible. The provision of incentives permits the UCG the privilege of setting higher than minimum standards because of its aid and assistance in such projects.

5.4.5 Educational Programs

Educational programs are a vital part of an effective initiative to promote compatible infill because, without them, an infill program will fall short of its

potential. Effective educational programs build awareness of regulations, how to use them, and why they are there. Sharing knowledge of successful design solutions from other communities can stimulate new and better solutions. Successful case studies and design guides can also be instrumental in furthering the program. A long-term and systematic public education program should be developed.

5.4.6 Coordinated Planning

Government programs of individual divisions and departments should be coordinated to mutually support compatible infill and redevelopment opportunities. Closer coordination of limited UCG resources on targeted areas can have more of a significant impact than not. As an example, project plans for stormwater improvements, greenways, and Community Development projects should be combined in target areas to have the greatest impact possible.

Another opportunity for coordinated planning exists with the University of Kentucky. Many universities tend to plan from the “inside out,” seeking internal activity areas and pushing parking and less desirable functions to the perimeter. In this way, basic urban design principles of how a university connects with the community can be overlooked. Closer cooperation in planning between the UCG and UK should strive to better integrate the urban area and the campus, particularly relating to housing needs, mutually beneficial retailing, and related facilities.

5.4.7 Mixed-Use Development

The UCG has a special opportunity to introduce housing and needed commercial services by structuring a new set of zoning districts permitting mixed-use zoning. These would:

- Promote residential infill;
- Provide neighborhood-based services;
- Help support basic services that enhance the livability and safety of established neighborhoods.

The plan recommends three categories of mixed-use (MU) zones and design guidelines. They

promote a combination of functions in concentrated areas abutting established neighborhoods. The recommendation would require a minimal amount of both housing and non-residential development in all such zones. The three proposed zone categories reflect differing scales of development as follows:

1. **Neighborhood Mixed-Use:** Smaller mixed-use development, typically concentrated around the intersection of two collector streets.
2. **Neighborhood Corridor Mixed-Use:** Medium sized development, typically extending one or more blocks along a radial arterial corridor.
3. **Multi-Neighborhood Corridor Mixed-Use:** Larger tracts developed that include multi-neighborhood businesses, also along radial arterials.

The plan recommendations include several other locational criteria.

The key factor in successful MU development is to carefully craft the site selection criteria and development standards, especially the selection of permitted non-residential uses and/or conditional uses. Program design should systematically anticipate potential off-site impacts. Mixed-Use development is a relatively new concept, with an emerging body of experience from across the nation that the Urban County Government can draw upon in developing its program.

5.4.8 Periodic Program Evaluation

There should be a periodic review of the overall infill and redevelopment program to evaluate its effectiveness. Within two years of the effective date of the first regulatory changes, there should be an informal meeting of the original Steering Committee and selected community members to discuss the progress of the program and report its findings and recommendations to the Planning Commission.

Successful redevelopment is a long-term proposition and should be made a regular part of the planning function of the Urban County Government.

5.5 HOUSING AFFORDABILITY

Across the country, affordable housing is generally defined as decent, quality housing that costs no more than 30 percent of a household's gross monthly income for rent/mortgage and utility payments. In 1949, Congress declared it a national goal to provide "a decent home and a suitable living environment for every American family."¹

There have been several investigations into the affordability of housing in Lexington, some emphasizing the costs compared to other metropolitan regions. Chamber of Commerce researchers do these types of comparisons and, for 1999, reported that Lexington's housing costs were 92 percent of the national average; while Louisville's was 91 percent, and many other Kentucky communities had lower costs. In Spring of 2000, median housing costs in Lexington were compared to median income, and 75% of the houses sold were "affordable" to families with median income. This figure is higher than Louisville's, indicating homes for sale are more affordable here than in Louisville. When Lexington and Louisville were compared as part of background analysis for the *1996 Plan*, Louisville appeared to have more affordable housing and lots than Lexington. At that time, Lexington's lot prices and sales prices were in the middle of the group of comparable cities.

LFUCG's Department of Community Development administers various federal housing programs to assist in providing affordable housing to the community. The main federal housing programs are Community Development Block Grants (CDBG), Home Investment Partnerships and Emergency Shelter Grants. In order to receive these federal funds, the Department of Community Development develops a "Consolidated Plan" that states the community's goals and objectives for addressing housing and community development needs over a five-year period. The Consolidated Plan includes a housing and homeless needs assessment, a housing market analysis, a strategic plan and an action plan. The needs assessment, market analysis and strategic

plan, including relevant detailed socioeconomic data, are updated every five years. The Action Plan component detailing implementation strategies and funding priorities and plans is updated annually.

The following Housing Market Characteristic information is excerpted from the 2000 Consolidated Plan. The Division of Planning supports the Department of Community Development by providing detailed socioeconomic data, residential land use information, and acts as a Central Depository of Community Reinvestment Act Data (i.e. mortgage data). This information provides an overview of affordable housing characteristics in the Urban County and possible strategies to provide safe and decent housing to citizens in need.

5.5.1 Housing Market Characteristics²

The 2000 Census reports that there were 116,167 housing units in Lexington-Fayette County in 2000, an increase of 18,425 units (19%) from 1990. Of the 116,167 housing units, 108,288 were occupied units (93%) and 7,879 were vacant units. This is an overall vacancy rate of 6.8 percent, down from 8.4 percent in 1990. Between 1970 and 1990, the housing stock grew from 59,484 to 97,742, an increase of 38,258 units (65%) during that twenty-year period.

Lexington-Fayette Urban County Government building permit records indicate that over 83 percent of residential units constructed in the 1990s were single family or duplex units. Less than 10 percent of the existing housing stock was constructed prior to 1950. Less than 4 percent of the housing stock is valued at under \$40,000. Redevelopment, gentrification, expansion of commercial, industrial, and institutional uses, and the demolition of dilapidated housing have contributed to the removal of many housing units that were occupied by low-income families. There are currently approximately 33,000 Low to Moderate Income (LMI) housing units in Fayette County. There is a gap of approximately 15,000 LMI units, forcing people who would qualify for subsidized housing into unsubsidized housing units. Elements of housing

¹ <http://www.hud.gov/library/bookshelf18/pressrel/afford/afford.html>

² Note: The 2000 Census figures were not available for the most recent Consolidated Plan Update; this section reflects any available new data.

affordability include the ratio of housing cost to income and the availability of housing units affordable to households in the various income groups either on a homeownership basis or as rental units. This is discussed in more detail in the sections that follow.

Property Value Administration records show that 13,214 single-family units have been built in Fayette County since 1990. The median fair cash value of all new units is \$134,400. Approximately 2,000 units (15%) are valued at \$90,000 or less; \$90,000 is

approximately the maximum affordable to a family of four at 80 percent of median income (see Section 5.5.2). Only 728 units (approximately 5 percent of all units added to the housing stock in the 90s) have a fair market value of less than \$80,000.

During the 1990s, 263 new single-family units were constructed in inner-city low-income census tracts. Most of these units meet the definition of affordable, 70 percent having values under \$80,000.

5.5.2 Homeownership for Low-Income Households

Exhibit 5-1 depicts low-income levels at 80, 70, 60, and 50 percent of Area Median Income (AMI) for a household of four. This simple analysis of affordability makes certain assumptions: 25 percent of gross income is available for Principle, Interest, Taxes, Insurance (PITI) was used for all incomes; and a standard down payment of 5 percent and a fixed interest rate of 8 percent for a thirty-year mortgage were used.

EXHIBIT 5-1				
LOW-INCOME LEVELS AREA MEDIAN INCOME (AMI)				
FOR A HOUSEHOLD OF FOUR				
% of Median Income*	80%	70%	60%	50%
Annual Income	39,040	34,160	29,280	24,400
25% of Gross Monthly Income	815	710	610	510
Monthly Taxes and Insurance (Incl. Mortgage Insurance Premium)	170	160	150	140
Available For Principle and Interest	645	550	460	370
Will Support A Loan at 8% of:	88,000	75,000	62,500	50,500
Can Afford House Costing: (With 5% down payment)	92,500	79,000	66,000	53,000
Note: Area Median Income for Household of Four is \$48,800				

The same analysis is provided in Exhibit 5-2 for households of three persons.

EXHIBIT 5-2				
LOW-INCOME LEVELS AREA MEDIAN INCOME (AMI)				
FOR A HOUSEHOLD OF THREE				
% of Median Income*	80%	70%	60%	50%
Annual Income	35,150	30,750	26,340	21,950
25% of Gross Monthly Income	730	640	550	460
Monthly Taxes And Insurance (Incl. Mortgage Insurance Premium)	170	160	150	140
Available for Principle and Interest	560	480	400	320
Will Support a Loan at 8% of:	76,500	65,500	54,500	43,500
Can Afford House Costing: (With 5% down payment)	80,500	69,000	57,500	46,000
Note: Area Median Income for a Household of Three is \$43,940				

Many other issues enter into whether or not families of these income ranges can actually afford to purchase houses of these computed values. The ability to save for the down payment and closing costs, the lack of other significant long-term debt, and credit-worthiness all enter into the formula. The above calculations also assume the same amounts for taxes and insurance, even as the maximum value of an affordable house decreases. These expenses will vary, based upon the value of the house and the location of the house. Property taxes within the

Urban County vary, depending on the level of urban services provided and also vary in the surrounding counties. This use of a constant value for taxes and insurance may tend to understate the value of the maximum affordable house; however, it should be noted that a constant of 25 percent is used for total PITI, leaving lower income families less of their income to support other housing costs, such as utilities. Once utilities are added to the monthly budget, these households are likely to be somewhat cost burdened.

Information provided by the Lexington-Bluegrass Board of Realtors was examined to determine the availability of affordable units for sale. For the months of January through November 1999, the numbers of three-bedroom units sold at price ranges satisfying the above affordability criteria are listed in Exhibit 5-3. These units were located in Fayette County and the surrounding counties of Woodford, Jessamine, Scott, Clark, Anderson, and Bourbon. According to the Lexington-Bluegrass Board of Realtors, 98 percent of the sales activity reported by the organization occurs in Fayette County; however, all of these communities, except Anderson, are part of the metropolitan statistical area and are within a 30-45 minute drive of Lexington. These communities share a common economy with Fayette County. In most of the surrounding communities, the perception is that housing prices are less than prices in Fayette County.

EXHIBIT 5-3 SALES OF 3-BEDROOM UNITS IN CENTRAL KENTUCKY JANUARY-NOVEMBER 1999	
PRICE RANGE	# OF UNITS
Up to \$39,999	37
40,000 - 49,999	30
50,000 - 59,999	69
60,000 - 69,999	153
70,000 - 79,999	359
80,000 - 89,999	517
TOTAL AFFORDABLE UNITS	1165

Exhibit 5-4 depicts the number of the units noted above which are affordable to 3- and 4-person low-income households when the interest rate is 8 percent (utilizing the data in earlier tables):

EXHIBIT 5-4 AFFORDABILITY OF 3-BEDROOM UNITS SOLD JANUARY-NOVEMBER 1999								
PRICE RANGE	80% of AMI		70% of AMI		60% of AMI		50% of AMI	
	4 persons	3 persons	4 persons	3 persons	4 persons	3 persons	4 persons	3 persons
Up to \$39,999	37	37	37	37	37	37	37	37
40,000 - 49,999	30	30	30	30	30	30	30	18
50,000 - 59,999	69	69	69	69	69	52	21	
60,000 - 69,999	153	153	153	138	92			
70,000 - 79,999	359	359	323					
80,000 - 89,999	517	18						
TOTAL AFFORDABLE UNITS	1165	666	612	274	228	119	88	55

The total affordable units of 1,165 represent approximately one-third of all three-bedroom units sold during the period (3,456) and 20 percent of all units sold of all sizes (5,786). This limited analysis indicates that during the eleven-month period, 6 percent of all homes sold would at least be theoretically affordable to households of three and four persons with earnings at 60 percent of median income and with current interest rates of approximately 8 percent. A single income earner in a household at 60 percent of median income would have hourly wage rates of between \$12.67 and \$14.08. If housing prices remain relatively stable, an interest rate increase to 10 percent would mean that the number of houses available for purchase by families in these income ranges would be cut

approximately in half. This analysis only considers homeownership possibilities for the Fayette County renter households with household incomes between 51 percent and 80 percent of AMI. Renter households in Fayette County below 50 percent of AMI have virtually no homeownership options.

The Lexington-Bluegrass Board of Realtors reports that the median sales price of a three-bedroom residential unit ranged from \$99,000 in January 1999 to \$106,500 in November 1999. For all residential units of all sizes, the median sales price ranged from \$115,000 to \$120,000. During the eleven-month period, the average amount of time it took to sell a housing unit was 2.9 months. This is considered a fast market.

5.5.3 Rental Affordability for Low Income Households

Exhibit 5-5 indicates the income needed to pay the fair market rents in the community. This assumes the household will pay no more than 30 percent of its income for rent and utilities.

EXHIBIT 5-5 INCOME FOR FAIR MARKET RENT		
Unit Size	1999 Fair Market Rent	Income Needed
0 Bedroom	\$342	\$13,680
1 Bedroom	\$426	\$17,040
2 Bedroom	\$521	\$20,840
3 Bedroom	\$711	\$28,440
Note: These rents include utilities.		

Exhibit 5-6 depicts rent amounts (including utilities) that households of various incomes and sizes could afford. These amounts illustrate the problems faced by low- and moderate-income households.

EXHIBIT 5-6 AFFORDABLE RENTS (BY INCOME AND SIZE OF HOUSEHOLD)			
Household Size	Rents Affordable to Households with Incomes of 0-30% AMI	Rent Affordable to Households with Incomes of 31%-50% AMI	Rents Affordable to Households with Incomes of 51%-80% AMI
1	0-256	257-428	429-684
2	0-293	294-488	489-781
3	0-330	331-549	550-879
4	0-366	367-610	611-976
5	0-395	396-659	660-1054
6	0-425	426-708	709-1133
Note: These rents also include utilities			

5-3 Sales of 3-Bedroom Units in Central Kentucky, January-November 1999 Based upon the 1990 Census, there were the following low-income renter households in Lexington Fayette County. This data is not yet available for 2000.

0-30% of Area Median Income	9,278
31-50% of Area Median Income	6,645
51-80% of Area Median Income	8,457
Total Low-Income Renter Households	24,380

It is estimated that none of the households below 30 percent of AMI could afford a unit at fair market rent, and that most (90%) of the households between 31 and 50 percent of the AMI could not afford units at the fair market rent without being cost-burdened. Therefore, approximately 15,000 low-income households are priced out of the rental housing market. Generally, the population above 51 percent of median income can afford fair market rent. However, in addition to the affordability issue, other factors create hardships for low-income families in the rental market. While there is no current reliable information on the availability and condition of units in the rental market, historically there have been few units with three or more bedrooms available. Low-income families with three or more children have always had difficulty finding available units.

5.5.4 Promoting Affordable Housing

Determining whether a community has affordable housing is a complex process. Data, which reflects affordability of a community's housing stock overall, may not reflect whether the needs of low- to moderate-income families are being met. Diversity of affordable housing types and locating affordable housing throughout the community are other factors to be considered. Rental housing is an important component of the affordable housing market and needs to continue to be an important priority.

The LFUCG affordable housing program extends beyond the activities discussed above, which primarily relate to the Consolidated Plan. It is also important to note that federal monies are not the sole support of this program - state and local dollars also support affordable housing. Other LFUCG

affordable housing programs include:

- The LFUCG received over \$60 Million in Mortgage Credit Certificates in the last ten years from the Kentucky Private Activity Bond Allocation Committee (Source - Commonwealth of Kentucky private activity bond volume cap) supporting the purchase of over 800 homes. An award of \$10.2 million for the Mortgage Credit Certificate Program was received in FY 2002.
- The LFUCG transfers vacant government property to non-profit builders for construction of affordable housing.
- The LFUCG Vacant Lot Commission provides cash reimbursement for lot costs to qualified builders of affordable housing.
- The LFUCG Vacant Property Review Commission has been established to acquire vacant property for affordable housing development.
- The LFUCG provides financial support to builders for development cost of affordable housing.
- The LFUCG Downtown Rental Rehab Program provides loans on a matching basis for rehabilitation of rental housing, of which 51 percent must be assisted units.

Other organizations also provide affordable housing through programs that construct low-cost new housing or which rehabilitate older housing that might otherwise be destroyed and no longer a part of the housing stock. Habitat for Humanity provides affordable new housing, while the Realtor-Community Housing Foundation and Urban League rehabilitate older housing units.

Habitat for Humanity International is a nonprofit, nondenominational Christian housing organization. Habitat for Humanity's work is organized at the local level by more than 1,900 affiliates worldwide. Local Habitat affiliates coordinate house building and selects partner families for their area. Habitat houses are purchased by the homeowner families. Three factors make Habitat houses affordable to low-income people worldwide: houses are sold at no profit, with no interest charged on the mortgage;

homeowners and volunteers build the houses under trained supervision; and individuals, corporations, faith groups and others provide financial support. Habitat for Humanity is the primary builder of single-family units for low-income families in Fayette County. During the 1990s, Habitat constructed 131 single-family units for households whose incomes do not exceed 60 percent of AMI. Average fair cash value of 22 houses built by Habitat in 1998 and 1999 was \$52,590.

The Realtor-Community Housing Foundation (RCHF) is a partnership formed in 1992 between real estate professionals and other concerned community members who desire to help families and individuals own homes. The partnership includes realtors, volunteers, the Remodelers Council of the Home Builders Association of Lexington (HBAL), home improvement buffs, businesses, civic clubs, churches, students, and educators. The Foundation's goal is to empower families, strengthen neighborhoods, and maximize the economy by enabling home ownership for those who might lose or otherwise not have this opportunity. Since 1992, RCHF has helped over 450 homeowners with repairs to their homes or wheelchair accessibility ramps to their homes. RCHF programs include educating potential and current homeowners, making repairs to help keep older residents in their existing homes and helping young families purchase their first homes. This housing rehabilitation program is geared for senior citizens who may not qualify for other government programs for housing rehabilitation assistance.

The Urban League of Lexington-Fayette County has, as one of its many programs, a Housing Construction Training Program. This program, begun in 1984 with federal Job Training Partnership Assistance (JTPA) funding, has the combined benefit of providing construction skills training to participants and of resulting in usable affordable

housing stock that has been rehabilitated by the participants. With the loss of the JTPA program, the Urban League sought other funding sources and now this program is in its second year of being funded by a Department of Justice grant. Since 1985, approximately 30 houses have been rehabilitated through this program. Additionally, in the coming year, the League anticipates some new construction as a part of this program as well.

LFUCG is also proactively planning for affordable housing, particularly in the Expansion Areas where density bonuses are permitted if the developer provides sites for the development of affordable housing. Opportunities to utilize this bonus technique in other parts of the community need to be considered. Other federal programs administered by the Department of Community Development are dedicated to the provision of scattered site affordable housing opportunities.

One new significant issue that needs to be studied further is the impact of providing housing for the growing Hispanic population. With larger family sizes and extended families often residing in a single household unit, larger affordable housing units are more important than in the past. Larger extended families are now renting some large rental houses that have been historically used by multiple university students. This is resulting in an impact on the housing market for the students as well.

Density is an import consideration in the provision of affordable housing. Low-density development often adds to the cost of housing stock. Areas of increased density, particularly with proximity to community services, enable the provision of housing at a more affordable rate than more traditional suburban style development. Cooperative planning efforts between the various public and private providers of affordable housing stock and the land use planning process needs to occur to ensure that the community meets its long term affordable housing needs.